



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 199**
Streamlining Draft **AGMICHOT 3**

Date: December 18, 2009 2:30 PM	Author:
Dept./Agy.: Department of Health and Hospitals	Analyst: Shawn Hotstream
Subject: telemedicine	

Recommendation requires the Department of Health and Hospitals to study the use and feasibility of telemedicine.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

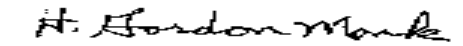
Recommendation simply requires the department to study the use and feasibility of telemedicine. Information received from the department indicates that Medicaid currently reimburses for telemedicine consults. Providers essentially flag a telemedicine visit on a claim to identify this specific type of visit. In Louisiana, reimbursements are made to the consulting provider (termed the “spoke”), and not the originating provider (termed the “hub”). The reimbursement is equal to the reimbursement for a traditional office visit. On an annual basis, the total payments from Louisiana Medicaid that are identified as telemedicine consults are minimal. It is likely that overall payments are higher than recorded as a result of providers simply not checking the modifier on the claim form before submittal.

Act 850 of the 2008 Regular Legislative Session officially defines telemedicine as “the practice of health care delivery, diagnosis, consultation, treatment, and transfer of medical data using interactive telecommunication technology that enables a health care practitioner and a patient at two locations separated by distance to interact via two-way video and audio transmissions simultaneously. Neither a telephone conversation nor an electronic mail message between a health care practitioner and patient, or a true consultation as defined by the board pursuant to the Administrative Procedure Act, constitutes telemedicine”.

Note: In addition to increasing access to health care services, telemedicine has resulted in savings within the Department of Corrections. The LSU HCSD currently utilizes this technology with offender patients of the Department of Corrections. The DOC has realized significant savings as a result of reduced transportation and salary costs. According to the department, utilization of telemedicine has resulting in approximately \$500,000 in annual savings. As an illustrative example of transportation costs, transporting two offender patients from Angola to E.K. Long is estimated to cost the DOC in excess of \$400 per day on average.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	H. Gordon Monk
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	Legislative Fiscal Officer